

Eileen S. Stommes, Deputy Administrator
USDA-AMS-TM-NOP
Room 4007-S, Ag Stop 0275
P.O. Box 96456
Washington, D. C. 20090-6456

Re: Comment on National Organic Program
Proposed Rule- Docket Number: TDM-94-00-2

Dear Ms. Stommes,

I am writing to respond to the above-referenced proposed rule on organic foods ("proposal"). As a customer of Coleman Natural Beef, I have strong oppositions to this proposal – from the retail point of view – for the reasons given below. Most of this letter will center on comments arising from Section 205.103, prohibiting certain phrases on labels. The proposal would result in just two categories of beef – organic and conventional – and consequently have negative effects on both the buying and the selling of beef in our store.

Problems caused by the proposal in terms of purchasing beef: I have several objections to various sections of the proposal as they affect the running of our meat department: Sections 205.103, 205.202, 205.13, and 205.14. However, I will focus on just two issues: certification and price. First, as we read Section 205.202, we have confusions and concerns. I feel that we should be able to sell organic meats if we decide to. However, the required procedure is unclear from the language of this section: when we get in fresh "organic" beef in vacuum packaged primals, then cut these primals into consumer-sized portions, then tray pack them, and label them as organic, how precisely will these be treated when it comes to being certified? Another problem under this section is the regulation of Home Replacement Meals (which is a growing market). Under Section 205.202(b)(3)(ii), we cannot easily label a Home Replacement Meal "organic" without being certified.

The certification procedure itself has problems because (in Section 205.219) the certifying agent is given all the accountability relating to the certification process, yet only the USDA administrator can de-certify a facility. Our position is that the certifying agent needs the authority to de-certify as well, since he is the closest to the situation. Overall, retailers would have to (literally) "buy into" a certification system in which we can have little confidence. The record-keeping requirements under Sections 205.205 and 205.216 are a burden and overly complicated.

Second, we believe that organic beef will carry a significant price premium, and price is obviously an important aspect of the buying decision. We concur with the estimate we have read that the added cost of producing will be at least \$100/head. This added cost will be generated from the fees of certification, especially since most cattle change hands at least 3 times, the cost of organic feed, and finally the smaller cattle pool from which to purchase. Thus, I have grave concerns about Sections 205.421 through 205.424. All these added costs that we will incur may result in retail prices that are 100% higher than conventional beef. We are not going to be able to charge this 100% price differential for "organic" beef – especially when such a product may not be antibiotic-free, or (under Section 205.12) may not have been under organic management from birth.

Problems caused by the proposal in terms of selling beef: With this proposal, the government is eliminating an entire category of beef, natural beef: it would make all beef either organic or conventional. Yet we have a distinct group of customers who requests Coleman Natural Beef by name, values its purity, and is willing to pay a higher price for a higher quality meat. One of our meat buyers has said of the Coleman product: "Everything they don't do to the cows— that's what the consumer wants."